NSC BRIEFING

5 October 1954

## SITUATION IN VIETNAM

I.	Elements	favo	ring	and	opposing	Diem	governæeut	still
	approxima	tely	in	bala	nce.			

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Opposition led by Generals High, Xuan, and Vien.

1. Hinh, as chief of staff, holds over head of government threat of armed coup, although loyalty of army as a whole to Hish uncertain.

General Vien is self-styled "general," leader of Binh Zuyen gangster organization which supply large part of Bao Dai's income.

- General Xuan represents no one; like Hinh, he is French citizen and officer in French Army.
- D. This group met with Minh on evening of 4 October, demanded virtual surrender of government authority to themselves.
- III. On preceding day, however, Bao Dai conferred with Ambassador Heath on Siviera, and told him that he backed of Diem, distrusted Xuan, and preferred that High not be given cabinet post.
  - A. Bao Dai said conflict between these views and those in 1 October telegram was due to drafting error."

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- B. Bao Dai in Heath interview, made no reference to Binh Xuyen; he may still count on this strongarm outfit as instrument of his political strength.
- C. Eac Dai told Heath he wants High to remain as chief of staff.
  - 1. Heath and Ely see no alternative.
- IV. French agreement, in last weeks Washington talks, to back Diem greatly improves his prospects, provided French stick to promise; this is by no means assured.
  - A. Ely's deputy, Daridan, is strongly anti-Dies.
  - E. Daridan, in conversation with embassy officer, professed to believe US interested only in keeping Diem as powerless figurehead.
  - C. Our embassy in Faris reports strong pressure on French government to appease Viet Minh; such a policy would preclude whole-hearted co-operation with Vietnamese nationalists.
  - D. But Mendes-France on 3 October, after reiterating Freuch misgivings as to Diem's ability, told Secretary Dulles he would give presser "good try."
  - V. Diem's opponents may simmer down for time being, but he still faces protracted fight to ensure control.
    - A. He can't count on real loyalty of any of existing politico-military groups.

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- B. He must gain control of army before stable government is possible.
- C. He must build some semblance of political party around him.
- D. Representation of Cao Dai and Hoa Hao in government dating from 24 September constitutes substantial increment in organized political strength, but Diem needs other strength to offset self-seeking of these groups.
- VI. While government in South unable to get on its feet,

  Viet Minh undertaking extensive army reorganization.

- B. This virtually double pre-truce divisional strength of G infantry, I artillery.
- C. Aim is to develop modern army of greater fire power, capable of large-scale operations.
- D. Chinese aid, illegal under Geneva agreement, making this build-up possible.
- Already, aid shipments since trude have resulted in 50 percent increase in artillery weapons, have included enough mortars and recoilless rifles

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for five infantry divisions. On 28 September, 155mm artillery reportedly moved by rail in vicinity of border town of Lang Son.

- P. Viet Minh, failing victory at polls in 1956, could employ forces for rapid military conquest.
- VII. Another Viet Einh activity: establishment of "repentance camp," near Hanot.
  - A. This for purification of former civil servants and so-called intellectuals desiring Viet Winh's 'pardon."
  - B. These bourgoisie will examine their consciences, accuse themselves of past faults, prepare to become citizens of "new democracy."

